*Previous references.*
G. 7. 56 09 : 881-10(9) B. Nov 10.

1909-10.

(Gen. Fin.)

File No. 56-09.

Serial Nos. 10-14

*Later references.*
G. 7. 132-10 : 881-2 : B. Nov 10
" 264-10. 881-3. B. Dec 10

P 16 E

# GENERAL AND REVENUE SECRETARIAT.

*Serial Nos.* 10-14.

**Part B. for** April 1910.

SUBJECT.

Government account with the Bank of Madras.

10. From the Comptroller, No. 4773/958 D. 16. 3. 10. Forwards a copy of his letter no 4771 of the 16. 3. 1910. to the agent, Bank of Madras Bang above, confirming the agreement of the Bank of Madras, to pay interest at 6% per annum, on the daily balances of Govt. money from 16. 3. 1910 to 30. 4. 10. Subject to a condition.

11. To the Secretary Bank of Madras, Madras. no H. 4845, D. 30. 3. requests the formal approval of the Directors of the Bank to the temporary arrangement referred to above.

12. To the Comptroller, no. 4844 of the 30. 3. 1910. Conveys the approval of Govt to the above temporary arrangement.

13. From the Secretary and Treasurer Bank of Madras, Madras. No. 134/655 of the 31. 3. 10 Confirms the above temporary arrangement.

G. R. S. 58

14. To the Comptroller, No. 5065 D. 12. 4. 10. Forwards the copy of the letter from the Bank of Madras for necessary arrangements.

G.R.S. 11]

1909.10

GENERAL AND REVENUE SECRETARIAT.

( Fl. Div. )

NOTES.

File No. 5609

FILE HEADING.

Govt. Account with the Bank of Madras.

From

The Comptroller.

No. 4773/958 Dated 16.3.10. Received 18/3/10.

Diary No. 3719 | Enclos. one | Spare Copies | Serial No. 16

BRIEF ABSTRACT OF LETTER.

Forwards a Copy of his letter no. 4771 of the 16.3.1910 to the Agent Bank of Madras, Bangalore, confirming the agreement of the Bank of Madras to pay interest at 6% per annum on the daily balances of Govt money from 16.3.1910 to 30.4.1910 subject to a condition

NOTES AND ORDERS.

The above agreement is said to imply that the portion of the current agreement by which the banker has to receive interest on the minimum monthly balance & by which interest is allowed only

NOTES—First sheet

GPB—30,000 - 3-4-07.

G. R. S. 12 ]
General and Revenue Secretariat.

File No. 56 of 1909

Serial No.

on the balance in excess of the Sum if any, which has to be paid at the end of march on account of the Subsidy to the British Govt. is temporarily suspended during the short period between the date of the letter 16.3.1910 & the 30.4.1910. The Bank however has undertaken to cash at once the cheque for about 12 a 13 lakhs of Rupees for the balance of the second instalment of the Subsidy due on the 30.3.1910. The condition for the payment of the enhanced interest of 6% now agreed to is that the funds to be received by the State Huzur Treasury from all other Treasuries should be sent to the Bank instead of to the Hon'ble the Resident's Treasury.

The Comptroller requests that the aforesaid arrangement may be formally affirmed by Govt. and if necessary a formal confirmation of the arrangements be obtained from the Secretary & Treasurer, Bank of Madras, Madras. The letter may be addressed accordingly. Draft Subd for appl.

NOTE—Contn. sheet.

21/3/10

GPP 75,000—27.4.09

21/3/10

(4

Serial No.

yes

arrangement is a distinct improvement on the permanent agreement in force.

Under the sliding scale of interest allowed under term no 1 of the agreement 6 p.c is the highest rate we can get + this rate will be allowed only when the Bank rate is 8 p.c & upwards.

Under the temporary revised agreement now proposed interest on the daily balance will be allowed at 6 p.c irrespective of fluctuations in the Bank rate. In this respect again the proposal is more favourable than the agreement in force.

You have not put the whole advantage here correctly. For April we can get only 2½ under the agreement, now we will get 6%.

Under term no 2 whatever amount is drawn from the Bank for payment of the Subsidy is excluded, in Calculating the interest for the month (January or March) This deduction is not to be made under the temporary arrangement proposed & interest is to be allowed on the daily balance & not on the monthly minimum balance, excluding the amt drawn

NOTE—Contn. sheet.

GPB—55,000—27-4-09

Serial No.

for payment of the Subsidy.

The proposed arrangement is therefore advantageous and acceptable.

For some years past it has been the practice to pass on the treasury remittances received during January & March direct to the Hon the Residents Try (thro the Huzur Treasury) in payment of the instalments of Subsidy falling due in those months. As the Bank pays interest only on the monthly minimum balance & also excludes amounts drawn for payment of Subsidy in calculating the minimum, there was nothing to be gained by sending to the Bank remittances received during the months of January & March & hence the arrangement of sending the treasury remittances to the Hon the Residents Try. By this arrangement the Bank ~~is~~ is deprived of the use of large amounts of money at a time when there is great demand for money & to induce the Govt to send their

NOTE—Contn. sheet.

GPB—55,000—27-4-09

G. R. S. 12 ]
General and Revenue Secretariat.

Gl. Div. File No. 56 of 1909

| Serial No. | |
|---|---|
| 12 | To the Comptroller.<br>No. H. 4844 dtd 30.3.10.<br>Conveys the approval of Govt to the above temporary arrangement. |
| 13 | From the Secy & Treasurer, Bank of Madras, Madras.<br>No. 134/655 dtd 31.3.1910.<br>Confirms the above temporary arrgt. This may also be Communicated to the Comptroller.<br>Draft Rbd<br>K.S. 5.4.10. Issued 8.4.10. |
| 14 | To the Comptroller<br>No 5065 D 12-4-10<br>Forwards the Copy of the letter from Bank of Madras for necessary arrangements. |

ab 4/4

NOTE—Contn. sheet.

GPB—55,000—27.4.09

(3

It is requested that in future communications on the subject, the No. and date of this letter, and the distinguishing letters below the number as given opposite, may be quoted and addressed to the Comptroller, Mysore Government.

No. 477/ BBB

OFFICE OF THE COMPTROLLER, MYSORE GOVERNMENT,

*Dated Bangalore, the* 16th March 1910.

FROM

S. CHAKRAVARTI, ESQ., M.A.,
F.R.A.S., etc.,
*Comptroller to the Government of*
*His Highness the Maharaja of Mysore.*

TO

The Agent, ESQ.,
Bank of Madras,
Bangalore.

SIR,

I have the honor to acknowledge the receipt of your letter No.S,92-30 of this date in which you state that as personally arranged (1) the Bank would pay interest at 6% per annum on the daily balance from this date up to and inclusive of 30th April 1910 provided I arrange to remit to your Bank instead of to the Hon'ble the Resident's Treasury the funds that may be received from the treasuries excepting what may be necessary for the expenses of the State and (2) the Bank would undertake to cash at once the cheque for about 12 or 13 lakhs for the balance of the second instalment of the subsidy due to the British Government on the 30th March 1910 and credit the amount to the British Government Treasury either here or in Madras as may be required.

In reply I have to state that I understand from arrangement (1) mentioned above that the Banks agreement to pay interest at 6% per annum on the daily balances of Government money implies that the portion of the current agreement by which the Durbar has agreed to received interest only on the minimum monthly balance and by which interest is allowed only on the balance in excess of the sum if any which has to be paid at the end of March on account of the subsidy

Rec.—Gl. 20

.....Department.

19

From

J. S. CHAKRAVARTI, Esq., M.A.,
F.R.A.S., etc.,
*Comptroller to the Govt. of*
*H. H. the Maharaja of Mysore.*

To

.....Esq.,

.....

.....

Dated

Despatched

Received

No. .....

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Subject-matter.

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GPB—1,500—25-6-00

G.R.S. 26]

File No. 56-29
Serial No. 11

20 Fs

Diary No. of letter replied to 3719

Sl 4

No. H 48 45

dy 30-3-1910

General and Revenue Secretariat

(Gl. Sec
, the 190

To

The Secy & Treasurer,
Bank of Madras,
Madras.

Date of issue 30 March 1910

Signed by W J Macdonald

Sir,

I have the honor to ~~enclose for information a copy of~~ ~~and to invite reference to~~ ~~his Memorandum letter~~ No 4777, dtd 16.3.1910 ~~to~~ from the Comptroller to the Agent of the Bank of Madras, Bangalore, and to request the favor of a formal confirmation by the Directors to the arrangements therein agreed to.

I have &c.

Dewan Peishkar Madras

~~(Copy enclosed)~~

that the formal approval of the Directors of the Bank to the temporary arrangement referred to in the said letter from the Minister be communicated to me.

SUBJECT.

Mr 21/3/10 KS 21.3.10 Mrh 23.3.10

Cond Nara Rao 29/3

(1)

G.R.S.:26]

File No.

Serial No. 12

25 P

*Diary No. of letter replied to*

No. X 4844

General and Revenue Secretariat

( )

, *the* 14 190 .

To The Comptroller 30-3-1910

Sir

Date of issue 30 March 10

Signed by

I am directed to convey the approval of Govt to the arrangement reported in your letter no 4773 of 16-3-10 as entered into by you with the Agent Bank of Madras Bangalore under which as a temporary measure to be in force from 16th march to 30th April 1910 the latter has consented to allow interest on the daily balance to the Credit at 6 p.c.

*over.*

SUBJECT.

Cold
Narasa Rao.
29/3

of the Mysore Govt accts
with the Bank.

2. The Secy and Treasurer has been addressed regarding the approval of the Directors of the Bank necessary to the temporary alteration of terms nos 1 & 2 of the agreement in force) involved in the arrangement entered into by their Bangalore Agent.

I have &c

First Secy

List of enclosures.

Copied by

Examined by

MGCPB—30,000—16-2-05

Nº 117

Telegraphic Address, EUROPA.

ALL LETTERS TO
BE ADDRESSED
"THE BANK OF MADRAS,"
P.O.BOX Nº 16.

S.F. 56-09
Sl 13

D 3977

Bank of Madras.

Madras, 31st March 1910

S.L No. 134/655.

T. Ananda Rao Esqr B.A

Dewan of Mysore,

Bangalore.

Sir,

I have the honour to acknowledge receipt of your letter of 30th instant with enclosure and as desired hereby confirm the arrangement made with the Comptroller Mysore Government by our Agent in Bangalore, which was briefly as follows:-

1. The Bank will pay interest at the rate of 6 % per annum on the daily balances at the credit of the State Account from 16th March to 30th April 1910 provided that all funds received from Treasuries are paid into the Bank excepting such sums required for State expenses.
2. The Bank will undertake to pay the balance of the subsidy due on 31st instant to the British Government.

The existing agreement is therefore temporarily modified to this extent during the period mentioned.

I have the honour to be

Sir,

Your obedient servant,

G. V. Black

Ag. Secretary & Treasurer.

(10

G.R.S. 26]

File No. 56-9

Serial No. 4

9/4/10

*Diary No. of letter replied to* 3977

No. Je 57 65

& 12-4-1910

General and Revenue Secretariat

, *the* 190

To The Comptroller

Sir,

In continuation of this office letter No: R: 4844 dtd 30. 3. 1910, I am directed to forward herewith a copy of letter No: 134/655 dtd 31. 3. 1910, from the Secy & Treasurer, Bank of Madras, Madras, confirming the temporary arrangement made by the Bank's Agent in Bangalore

over.

Date of issue

Signed by

JC

Papers returned herewith

SUBJECT

with the bankholder
in regard to the
payment of interest
at 6% on the daily
balances between
the 16. 3. 1910 and
the 30. 4. 1910.
I I write

by 8/4. 10.

K-2
5/4/10

*List of enclosures,*

*Copied by*

*Examined by*

GPB– 10,000–23-3-08